

As BP board members debate whether to move forward with a scheduled dividend payment, Rep. Peter Welch (D-Vt.) and 31 other members of Congress called on the oil company to instead direct those funds to an escrow account dedicated to cleaning up the Deepwater Horizon spill and compensating its victims.

In a letter to BP CEO Tony Hayward, the House members – led by Welch, Subcommittee on Energy and Environment Chairman Ed Markey (D-Mass.) and Rep. Lois Capps (D-Calif.) – urged BP to ensure it has the funds to pay the full costs of the devastating Gulf Oil spill by temporarily suspending its annual \$10 billion dividend. Further, the group called on BP to establish an escrow account to cover cleanup and compensation costs – and to direct dividend payments to that account.

"Your company has affirmed its intention to pay the full costs of this devastating environmental and economic disaster," Welch and his colleagues wrote. "As those costs continue to rise – to \$37 billion, by one estimate – the American people require an assurance that your company will be able to honor all legitimate claims."

Welch, Markey, Capps and a similar group of House members first wrote BP last week urging the company to suspend its dividend and public relations campaign until it fully remedies the Gulf catastrophe. Their latest letter builds on Senate Democrats' proposal to create a \$20 billion escrow account administered by independent trustees and available for compensation claims and cleanup efforts.

"Tony Hayward and BP's board members have a choice: They can continue to focus first and foremost on their bottom line, or they can do the right thing and ensure they have the resources to cap the well, clean up the spill and compensate its many victims," said Welch. "First we were told the well was safe. Then we were told it would be quickly capped. Now we're being told BP is able and willing to honor all legitimate claims. The American people are simply sick of taking BP at its word."

"BP needs to make sure it takes care of shrimpers in the Gulf before it takes care of shareholders around the world," said Markey. "Right now, BP needs to be investing in stopping this spill, cleaning up the Gulf and compensating the victims of this terrible tragedy, not lining the pockets of its shareholders."

"BP's primary obligation until the leak is stopped and the spill cleaned up is to the communities in the Gulf, not its shareholders. So I would hope BP would do the right thing and divert all money set aside for the dividend to clean-up operations. When BP's financial commitments to the Gulf are met, by all means, pay out a dividend, but not a second before," said Capps.

The letter, copied below, was signed by the following House members as of 10:30 a.m., though the list continues to grow: Reps. Peter Welch, Ed Markey, Lois Capps, Keith Ellison, John Olver, John Hall, Gabrielle Giffords, Rosa L. DeLauro, Ron Kind, Dennis Cardoza, Anna Eshoo, Mazie Hirono, Joe Courtney, Russ Carnahan, Jared Polis, Bill Owens, Dave Loebsack, Paul Tonko, Carolyn Maloney, Doris Matsui, Robert Brady, Bill Delahunt, Rush Holt, Bob Filner, Timothy Walz, Pete Stark, Raul M. Grijalva, Betty Sutton, Steve Cohen, Maurice Hinchey, Michael Capuano and Michael Michaud.

Dear Mr. Hayward,

As BP board members debate whether to issue a second quarter dividend payment, we renew our call to suspend the dividend and, further, we urge you to direct such funds to an escrow account dedicated to cleaning up the Deepwater Horizon spill and compensating its victims.

Your company has affirmed its intention to pay the full costs of this devastating environmental and economic disaster. As those costs continue to rise – to \$37 billion, by one estimate – the American people require an assurance that your company will be able to honor all legitimate claims.

President Obama and 54 members of the U.S. Senate have called for the establishment of an independently administered \$20 billion escrow account, which would be available to cover cleanup costs and economic damages. We join them in their request and further call on BP to divert future dividend payments to this account until such time that all cleanup and compensation costs are fully covered.

Sincerely,

Welch and 31 House members call on BP to direct dividends to escrow account

Tuesday, 15 June 2010 00:00

PETER WELCH

Member of Congress